

**Delegation of the
United States of America
to the
World Summit on
Sustainable Development
Johannesburg, South Africa
August 26 – September 4**



FACT SHEET ON AGRICULTURAL ISSUES

FOOD AID/BIOTECHNOLOGY

- The U.N. believes that 13 million people are at risk of starvation or serious health consequences in Southern Africa due to the current drought and food crisis and that available regional food stocks fall far short of estimated needs.
- The U.S. has committed almost half a million tons, or half of the food aid required by the region. The U.S. is the largest donor of emergency food aid in the world.
- However, a troubling flow of incorrect information is causing unwarranted fears about agricultural biotechnology, leading to delays and even rejection of U.S. food assistance (e.g., Zambia). These delays may result in serious consequences for millions of people in the near future.
- These products have all gone through our U.S. regulatory process that involves rigorous testing for human, animal, and plant health, and environmental safety. Regulatory agencies have found no harmful effects from these products.
- The United States believes that the food products that we have offered to relieve real human misery in Southern Africa-- products that Americans eat themselves-- should reach the people who need it before the debates result in serious consequences.

FARM ACT

- The 2002 Farm Act has been unfairly and wrongfully characterized. The 2002 Farm Act expands conservation funding by 80-percent and adds new

programs to preserve wetlands and improve soil and water quality on farmlands.

- U.S. farm support spending is well within the Uruguay Round limits of \$19.1 billion. This compares to \$31 billion for Japan and \$62 billion for the European Union. Moreover, the Farm Act includes a “circuit breaker” to reduce spending if necessary so we continue to comply with our trade obligations.
- The projected average annual farm spending over the life of the Farm Act is expected to be less under the new law than the 1996 Farm Bill.
- The 2002 Farm Act does nothing to alter access to the U.S. agricultural market. Over 90 percent of Africa’s goods enter duty free under the African Growth and Opportunity Act. The U.S. is the largest importer of goods from developing countries, buying goods worth roughly \$450 billion per year, eight times the amount of aid that poor countries receive from all countries.
- The U.S. proposal for the WTO agricultural negotiations is fully consistent with our Farm Act. The United States cannot unilaterally “disarm”; it must be a shared commitment. The challenge is for all WTO members to move forward together in the WTO negotiations.

U.S. WTO AGRICULTURE PROPOSAL

- Agriculture is one of the key industries that must be liberalized to help developing countries realize the benefits of the Doha Development Agenda. According to USDA analysis, benefits of global agricultural trade liberalization include: a 25 percent increase in developing country exports, a 12-percent increase in world commodity prices, and a \$21 billion gain in developing countries’ economic welfare.
- The United States has heard the calls from developing countries for more open markets and the elimination of trade-distorting subsidies. All WTO Members must participate in the reform process, and those Members with the distortions must achieve the largest reform.
- The U.S. proposal for the WTO agriculture negotiations calls for a two-phase approach to agricultural trade reform. The first phase eliminates export subsidies and reduces worldwide tariffs and trade-distorting domestic support over a 5-year period. The second phase calls for the eventual elimination of all tariffs and trade-distorting domestic support.
- The U.S. proposal will liberalize agricultural trade, increasing access for developing country farmers into developed markets and neighboring markets and reduce the distortions faced by the world’s poor farmers. The U.S.

proposal would eliminate \$10 billion in export subsidies and drastically reduce trade-distorting support. Current WTO domestic subsidy ceilings alone for the EU, US and Japan add up to \$100 billion.